

Message Text

UNCLASSIFIED

PAGE 01 NEW DE 18568 271339Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-07 AID-05 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-04 CEA-01 AGRE-00 /103 W
-----271400Z 130656 /23 45

R 271209Z DEC 76
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 258
INFO AMEMBASSY LONDON
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

UNCLAS NEW DELHI 18568

PASS TREASURY AND FRB

E.O. 11652: N/A
TAGS: EFIN IN
SUBJECT: INDIAN RUPEE DEVALUED AGAINST POUND STERLING

REF: NEW DELHI 14465

1. ON DECEMBER 24, 1976, THE RESERVE BANK OF INDIA (RBI)
DEVALUED THE INDIAN RUPEE AGAINST THE POUND STERLING BY 3.3
PERCENT. THE NEW SPOT RATES FOR THE RUPEE ARE AS FOLLOWS:
BUYING RATE:RS.100 EQ 6.6007 POUNDS AGAINST PREVIOUS 6.8259
POUNDS (ONE POUND EQ. RS. 15.15 AGAINST 14.65);

SELLING RATE: RS. 100 EQ 6.5574 POUNDS AGAINST 6.7797 POUNDS
(ONE POUND EQ. RS. 15.25 AGAINST 14.75).

2. THE DEVALUATION YIELDS A NEW MID RATE OF RS. 100 EQ
6.57905 POUNDS (ONE POUND EQ RS. 15.20), COMPARED TO THE OLD
RATE OF RS. 100 EQ 6.8028 POUNDS (ONE POUND EQ RS. 14.70)
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NEW DE 18568 271339Z

AS FIXED ON SEPTEMBER 29, 1976; TOTAL DEPRECIATION OF THE POUND
STERLING AGAINST THE INDIAN RUPEE SINCE (AND INCLUDING)
SEPTEMBER 25, 1975, RUPEE REVALUATION HAS COME DOWN FROM 21
PERCENT (REFTEL) TO 18.3 PERCENT.

3. THE RBI WILL CONTINUE TO ALLOW FORWARD BUYING OF STERLING FOR

DELIVERY UP TO NINE MONTHS AT A RATE TO BE DETERMINED BY ADDING TO ITS SPOT BUYING RATE A MARGIN OF 0.0125 POUNDS FOR RS. 100 PER QUARTER OR PART THEREOF. THE FORWARD RATES WILL BE RS. 100 EQ 6.6132 POUNDS, 6.6257 POUNDS AND 6.6382 POUNDS FOR DELIVERY UP TO THREE MONTHS, SIX MONTHS AND NINE MONTHS RESPECTIVELY.

4. THE RUPEE DOLLAR EXCHANGE RATE USED BY THE USDO NEW DELHI WAS RS. 8.62 EQ ONE U.S. DOLLAR ON DECEMBER 27, 1976, AND HAS BEEN CHANGED TO RS. 8.90 EQ ONE U.S. DOLLAR FOR DECEMBER 28, APPRECIATING THE U.S. DOLLAR BY 3.248 PERCENT AGAINST THE INDIAN RUPEE.

5. COMMENT: THIS IS THE FIRST TIME THAT THE RUPEE HAS BEEN DEVALUED VIS-A-VIS THE POUND STERLING. (THE LAST MAJOR RUPEE DEVALUATION, AGAINST THE GOLD AND U.S. DOLLAR, OCCURED IN JUNE 1966). BECAUSE OF THE RECENT STRENGTHENING OF THE POUND STERLING, THE VALUE OF THE RUPEE IN RELATION TO THE DOLAR HAD BEEN INCREASING. THE GOVERNMENT EVIDENTLY WANTS TO MAINTAIN A RELATIVELY STABLE EXCHANGE RATE AT AROUND 8.80 TO 9 RUPEES EQUAL ONE DOLLAR.SCHNEIDER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE RATES, DEVALUATIONS, RUPEE, STERLING (CURRENCY)
Control Number: n/a
Copy: SINGLE
Draft Date: 27 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976NEWDE18568
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760472-1038
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761213/aaaaakqj.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 NEW DELHI 14465
Review Action: RELEASED, APPROVED
Review Authority: vogelfj
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUN 2004 by chengls>; APPROVED <22 DEC 2004 by vogelfj>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDIAN RUPEE DEVALUED AGAINST POUND STERLING
TAGS: EFIN, IN, UK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006